



THE ASSISTANT SECRETARY OF THE NAVY
Research Development and Acquisition
1000 Navy Pentagon
Washington DC 20350-1000

NOV 24 2003

The Honorable Duncan L. Hunter
Chairman, Committee on
Armed Services
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Notification of a prime vendor-type contract award is submitted pursuant to Public Law 105-261, Section 346, and Public Law 106-065, Section 336. The Navy proposes a performance based logistics contract award to Maritime Helicopter Support Company (MHSCo), a joint venture between Lockheed Martin Systems Integration (LMSI), Owego, NY, and Sikorsky Aircraft Company, Stratford, CT, for the Navy H-60 helicopter. The four reporting requirements are addressed below:

Competitive Procedures: The proposed contract was synopsisized in the Commerce Business Daily on July 10, 2001, and no business concerns other than MHSCo expressed an interest in the procurement. For this reason, the contract was solicited on a sole-source basis from MHSCo as authorized by a properly executed Justification and Approval for other than full and open competition, which was approved on May 4, 2002.

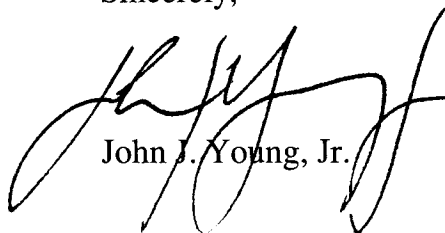
Business Case Analysis Summary of Costs and Benefits: A business case analysis conducted by the Naval Inventory Control Point demonstrated projected savings over the life of the contract to be \$5,000,000.

Conformance to Requirements of Title 10 USC 2466: Award of this contract will not cause the Navy to exceed statutory limits prescribed by Title 10 USC 2466. Workload will be maintained under the proposed contract by virtue of MHSCo's partnering agreements with NADEPs Jacksonville and North Island, and Corpus Christi Army Depot.

Conformance to Requirements of Title 10 USC 2464: The proposed contract is consistent with the core logistics policies, requirements and restrictions in Title 10 USC 2464. As noted above, the proposed contract will be supported by an industry-government partnership.

A similar letter has been sent to Chairmen Warner, Stevens, and Lewis. As always, if I can be of any further assistance, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Young, Jr.", written over the printed name.

John J. Young, Jr.

Copy to:
The Honorable Ike Skelton
Ranking Minority Member